

# SUGAR and PLANTATION NEWS

## CUBAN GROWERS, REFINERS FAIL TO AGREE ON PRICES

Producers Stand Firm and Will Not Permit Small Remainder of Crop To Go Cheap

### CONTROL CONSIDERED AS GIGANTIC BLUFF

Power of Administration To Be Exercised When Time Comes To Move Next Crop

Practical deadlock between Cuban growers and eastern refiners is the report contained in the letter received this week by one of the large Honolulu agencies from its eastern representative. The Cuban growers are determined to receive a price equal to that which the American and Hawaiian growers have agreed to accept but have a very limited amount on hand at six cents, net. The letter bears date of October 6, and says:

"This week end still finds our market in leading strings. There have been purchases of about 35,000 bags of Cuban sugar for prompt shipment at 5.87 1/2 cents C. & F. Some of it is for Canada, some for Philadelphia, some for New York refiners, all of these purchases believed to be against export orders which are being filled by permission of the food control authorities, but except these comparatively small odd lots there have been no offerings.

"Cubans are sitting tight believing themselves to be engaged in a fight to a finish with our Eastern refiners. Whether or no, it is a fact that there are no sellers under six cents C. & F. and they say they will find a market elsewhere for their remaining unsold fifty thousand tons sugar rather than permit it to be sold here on these refiners' terms. It is said there are strong hints that the full power of the administration will be brought to bear through the shipping control board on resisters and that when tonnage is to be furnished to move the coming Cuban crop these stiff-necked ones will meet with discrimination. The stiff-necked ones are not dismayed at the prospect and are said to be prepared to let the regulators at defiance in the belief that what they call a 'gigantic bluff' can be called with impunity. It is a very pretty quarrel as it stands. Java Sugar to Move

"There is reason to believe that 150,000 tons Java will be moved at last, the British government furnishing tonnage during the present quarter. The price is said to be 3c basis 90° F. O. B. Java.

"Receipts in Cuba have ceased to be of much consequence. There are still three centrals operating and one of these probably will continue for some time as yet commencing about six weeks ago owing to machinery delays. The tropical storm of last week has been very beneficial all over the island. The outlook for sugar for the crop is well over that of last year, but stocks, nevertheless, are down to about 113,000 tons, most of which, as already indicated, is sold and waiting shipment.

### Refined Sugar Bought

"Refined sugar is now in quite active demand. New England has been trying to buy supplies here but with indifferent success. The Federal, Warner, and McCann, Philadelphia, have withdrawn from the market. Arbuckle has ceased melting and only supplies its regular customers. The American, Howell and Pennsylvania, Philadelphia, are quoting 8.35 cent basis but restricting sales to the utmost. Western cane sugar, it is reported, has been sold as far East as Newark and Boston on the basis of 8.35 cents F. O. B. Chicago, the freight prices bringing the price well above Eastern quotations.

"Confectioners have been asked to slow down their operations and consumers of sugar are asked to curtail except for preserving purposes. At the present rate of consumption the scarcity of supplies will be very acute long before beet sugar can reasonably be expected to relieve the situation. The Louisiana factor seems to be overlooked for the time being, but producers there are said to be determined to turn out as much white sugar as they can, rather than allow refiners to control their output."

## TWO COMPANIES TO PAY EXTRA DIVIDENDS SOON

Extra dividends were announced by two companies yesterday, Pepeekeo and Ewa. The former will pay three percent extra November 15 and the latter one percent extra on the last day of October.

While some of the plantations have unofficially said that there is no intention by such companies of declaring extra dividends between now and the first of the year, the impression prevails that there will follow soon now, since the passage of the War Tax Bill, a number of extra declarations and rumors are busy in financial circles as to which companies will do so. Study is made by the would-be guessers of the reported undivided profits of the various companies and those with the largest balances of that character are the ones forecast to make disbursements of extra dividends from such funds.

## EWA PLANTATION PLACES ORDER FOR FINE PLANT

Sugar Company Will Electrify Mill and Plant and Places Order For Most Modern Type of Equipment Tried in Hawaii

Ewa Plantation Company is going ahead with the plans for the complete electrification of its mill and plant and will soon have one of the most complete and perfect plants to be found in the islands. The contract for the installation of the new plant has been awarded to Catton, Neill & Company, it was learned yesterday. It was announced some weeks since that Ewa was contemplating electrification of its mill and plant but since then no further announcements have been made until now.

The order that has been placed with Catton, Neill & Company by the Ewa Plantation Company calls among other things for one General Electric Company Curtis steam turbine driven generator of 750 kilowatts, 480 volts, three 90 cycle, switch board and complete equipment for a modern electro generating power plant.

At the office of the contracting company, which is the local agency for the General Electric Company, it was said that the order is one of the largest of its kind that has been placed in the islands and for a type of plant that has been thoroughly tried out here and proved to give high satisfaction. The power will run the mill, conveyor belts, and all other machinery about the mill furnish the lighting system and all other needed power.

What plans are to be made for a new power house have not yet been learned. It may be the plant will be put into the present power house but if found necessary a new building will be erected.

More and more the plantations of the islands are recognizing the time and money saving advantages of the electrically driven plant. The plant such as will be the Ewa plant has been installed by several of the larger plantations and it was the success achieved for such plantations by the type selected that has led to its adoption. It will mean large savings to Ewa each year hereafter.

## FIVE MATSON SHIPS WILL BE EMPLOYED IN WAR OPERATIONS

The Matson Navigation Company has been named as to the use designated for its five steamers by the board of navy architects which recently inspected the vessels, according to word received in the last mail from San Francisco. It is said that the Maui, Matsonia, Wilhelmina, Manoa and Lurline will be used as fleet scouts, destroyer tenders and repair ships.

Although assurances have been given that these steamers will not be released from the Hawaii Coast run until the last of November, if not later, it is said that the company is preparing for such action with the expectation that it will be given in return the use of some of the seized interned German steamers, many of which are now undergoing repairs on the Pacific Coast.

The local Matson office received a telegram from San Francisco Wednesday afternoon stating that all the ships of the Matson company had been formally taken over by the government on October 15 but nothing was said of the use to which they were expected to be put.

Conjecture has been rife as to what the disposition of these vessels would be ever since the government announced its intention of commandeering all ships over 2500 tons deadweight. Word that the Matson ships will be used as fleet scouts, destroyer tender and repair ships probably can be accepted as authentic.

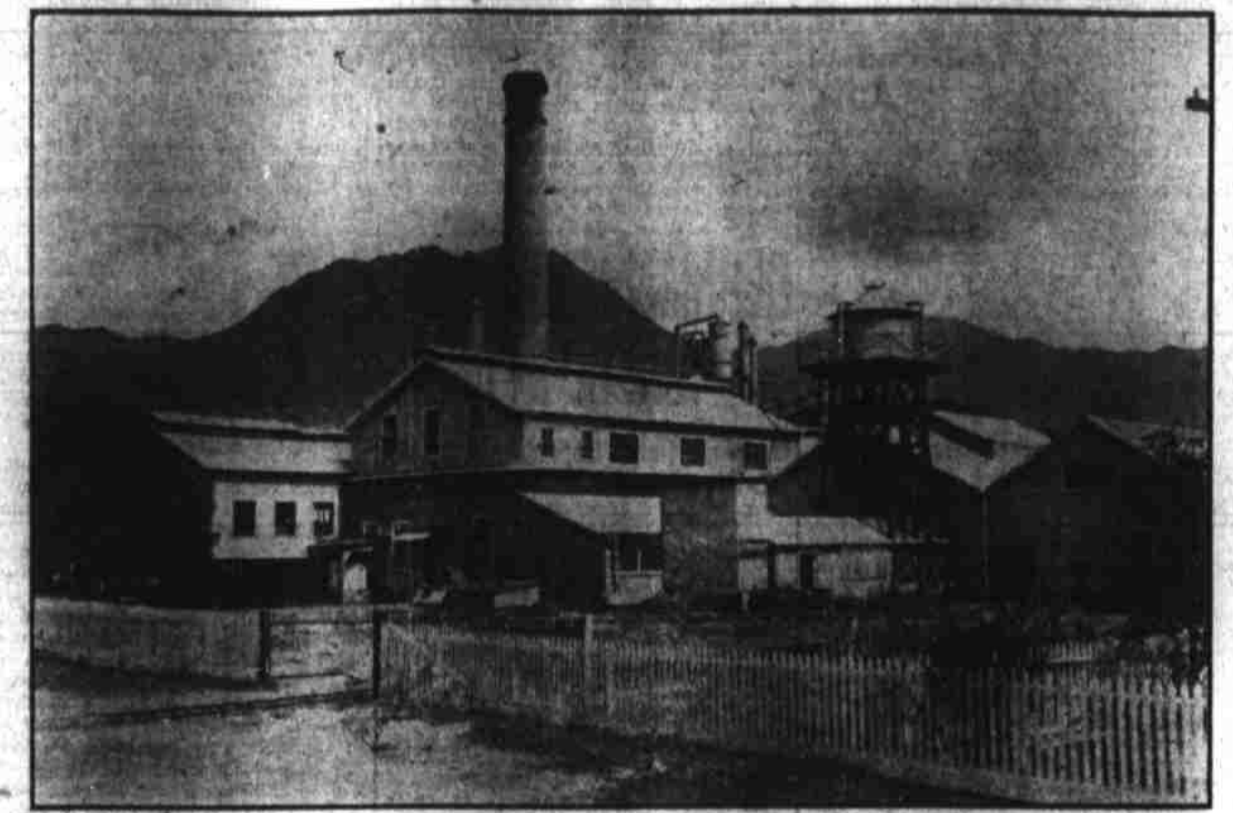
## LARGE STEEL CARGO GOING TO ORIENT

Carrying 2300 tons of steel, a China Mail liner arrived from the mainland early yesterday morning and proceeded to the Orient late yesterday afternoon. She had one stop-over passenger for Honolulu but discharged no freight. Twenty-five passengers joined the vessel here, making a total of 125 cabin and 308 steerage passengers booked through to the Orient.

Most of the cabin passengers are business men and missionaries and there are fifteen Y. M. C. A. workers on their way to the front. They are not certain as to where they will be stationed but they expect to remain in Russia.

Among those who are on the vessel are Jacques Kloss, former Pacific Mail man, who is on his way to Shanghai; Doctor and Mrs. Charles R. Mauley and their son, who are on their way to India to do missionary work; Mrs. M. L. Ell and her child, wife and daughter of the president of the China Mail Steamship Company; and Mr. and Mrs. Harry Reynolds, of South Africa who have been on a pleasure trip to the States.

WAIANAE PLANTATION is by no means one of the larger plantations of the Island and neither is its mill one of the large mills. But the mill is one of the complete and well equipped sugar manufacturing plants on Oahu, is always kept up and is attractive in appearance as well. Here is the most recently taken picture of this fine plant.



## CANE MAY BE GROWN IN WAIPIO VALLEY PHILIPPINES BREAK RECORDS IN EXPORTS

Hilo Paper Seems Exercised Over Possible Experiment of Honolulu Sugar Company

Under the head of "New Land to Be Devoted to Cane Culture," the Hawaii Post recently ran an article on the subject of putting certain land in the Waipio Valley into cane culture by the Honolulu Sugar Company. It asserted that the land was about a mile in width and five miles in length and was now devoted to rice and taro culture and termed the land some of the richest in the islands. It said that the residents of the valley were much exercised over the danger of losing rice and taro patches. This article was reprinted by at least one Honolulu paper.

Inquiry at the office of the agency of Honolulu Sugar Company here quickly brought an explanation of the true state of affairs. It seems that the Hawaiian Irrigation Company has a lease of Waipio Valley land from the Bishop Museum for which it has been paying about \$4500 and losing about \$3000 a year on the proposition. This is a subsidiary of the Honolulu Company and the manager of the latter company asked permission of the directors to experiment with cane on this leased land and it is possible that the permission will be given. The directors had not heard of any objection to the proposal had been voiced and the Hawaii Post article was the first intimation they had that any public interest had attached to it. The directors had not considered it a matter of any great moment, apparently, until it was brought to their attention by the manager.

The following is the article which appeared in the Post: "That a new area for cane raising, and one which is said to be composed of the very best soil, and which is situated in Waipio Valley, is about to be opened up, is the report of a Hilo business man who returned from that district yesterday. There is a strip of land about a mile in width by five miles in length in the tract. It is well watered, and at present much of it is planted to rice and taro.

"The land is at present said to be under lease to the Honolulu Sugar Plantation and the talk of planting it to cane is causing a feeling among those residing there that they are likely to be dispossessed through such proceedings. There are a number of owners of kuleanas among the present residents, but these cannot be affected by the contemplated change. The speaker stated that the soil is of such a nature as to not require replanting as is the case on most of the plantations, but is naturally supported for any number of years, as the result of the rich, deep loam which has been formed through the land having been washed from the mountain top.

"The place referred to, is one of the greatest taro producing districts on the island and in case the growers of this popular native food are forced from the land, it will have much to do with the supply of taro for commercial purposes. These 'kuleana' owners will be the only ones who can grow the staple food and as a consequence, the supply grown will necessarily be less than the demand. The Honolulu plantation in case the land is planted to cane, will probably haul the product to its mill which is a distance of about twelve miles from the valley.

"However, there is some talk that a separate mill may be erected in the valley, as the hundreds of acres of excellent cane land are of such a productive nature as to insure an extraordinary crop."

WASHINGTON, October 4.—All records for exports from the Philippine Islands were broken during the fiscal year ended June 30, 1917, according to an announcement today by the Bureau of Insular Affairs of the war department, showing the effects of the war on the trade of the islands.

The total exports for the year are represented at nearly \$72,000,000, or \$10,000,000 more than the previous year, and imports at approximately \$52,000,000, an increase of \$6,000,000. At the same time it is explained that the largest figures on analysis express advancing war prices rather than any general development in trade due to large consumption and increased production.

The actual quantities of hemp, sugar and copra, the three leading articles of export shipped out of the islands, were all below last year's, but in each instance prices were higher, amounting in the case of hemp to an increase of 25 percent in price. On the other hand, exports of coconut oil doubled in quantity. The United States continued to be the chief market for the oil and for the first time took the lead in the copra trade heretofore controlled by France.

### Demand for Cigars

"The statement says in part: 'The American demand for the Philippine cigar and a doubling of shipments to the United States was the ruling feature in a 50 percent increase in the value of the cigar trade yesterday. There is a sharp decline in a whole falling to even a lower level than had hitherto prevailed during the war.'

"Though the quantity of leaf tobacco was about the same, materially better prices were realized and the United States, for the first time, assumed some importance in this trade, taking a relatively high grade leaf. Philippine embroderies continued to increase in value by the disturbed conditions in Europe, with 150 percent increase over the previous year and supplied the American market to the value of \$1,500,000.

United States Gains

"With the practical completion of three years of war, a comparison of the country's distribution of Philippine trade in 1917 with ante-bellum conditions of 1914 is of interest. In the import trade the proportion of the United States increased from 51 to 53 percent of the total. The Japanese increased from 7 to 11 percent, while a smaller gain was recorded by China.

"The British proportion declined from 9 to 5 percent, the Australian from 5 to 2 and the French from 3 to 1, while 6 percent credited to Germany in 1914 virtually disappeared in 1917.

In exports the salient feature was the increase in shipments to the United States from 43 to 60 percent of the total. The proportion of the United Kingdom declined from 17 to 13 percent, due chiefly to the much reduced hemp trade of 1917, while the division of copra to the United States increased largely into the French decline from 8 to 3 percent.

"Shipments to Germany amounting to 1 percent of the total in 1914 disappeared while a new trade of some importance with Canada in hemp appeared in 1917."

## AGENCIES PUZZLES OVER WAR TAXES

Changes Make Study Necessary Before Announcements of Probable Effect Can Be Made

In the agencies of the various plantation companies this week experts were busy figuring on the effect upon the earnings and the dividends of their companies the new War Tax Law will have. Special interest attached to the portion that relates to War Profits which was published in full in The Advertiser on Tuesday morning. Since then most of the companies have secured copies of the law in later mail, it has been changed so much from the original measures in house and in senate that it requires new interpretation from the accountants although in some respects it is much more clearly expressed than before.

### Requires Some Study

Numerous complications come into the figuring of the War Profits Tax in the bill that finally became a law. What constitutes invested capital is one of these. Another point is that the earnings that are to be taxed under this provision are rated with invested capital and not alone in comparison with pre-war profits. Yet another matter is that the pre-war profits which may be deducted are now limited to nine percent. For this reason few agencies are ready to talk about the probable tax that will be paid by the different companies. It is understood, however, that Ewa directors have learned that that company will pay about half a million dollars in such taxes, say \$27,000 it is unofficially reported.

### Experts Differ

Local experts differ in some respects with Geoffrey N. Nelson, the expert accountant and author of works on the income tax, whom the New York Times secured to explain the workings of the new law and a part of whose article on the subject was published and credited in The Advertiser yesterday morning. In the stock market the effect of the publication of the provisions of the law has had the effect of stimulating trading, apparently. Yesterday's sales of listed securities ran over 2600 shares. Olan was weak from the cutting off of dividends that had been determined upon and sold down. Other stocks held up pretty well.

### Rich Companies Hit

The impression seems to prevail that the companies which did not have pre-war profits or only small ones are rather benefited under the law as it was changed, or at least that the burden will fall more heavily or as heavily upon the plantations which had big profits at that time since deductions in any event are limited to nine percent on the invested capital.

Other Taxes Added

It is not only in the War Profits Tax that Hawaiian plantations will be hit, according to one agency head who was here yesterday. "We shall get it coming all going, as I interpret and read the law," he said. "Take the matter of tax on bills of lading. It is three percent. Let us assume that a plantation here brings supplies that come from the Atlantic coast. Three percent on the bill of lading to San Francisco must be paid, then another three percent to Honolulu. Suppose it is a plantation on one of the other islands, another three percent on the inter-island bill of lading if on Hawaii and shipped out of Hilo by rail, and another three percent. There are four three percent payments that must be met as I read the law. I am as patriotic as any one but I should like to see the tax fall on all alike."

### See Small Profits

"Then we have a maximum price for our product fixed, not a minimum or a

## DROUGHT ON HAWAII IS WORST IN HISTORY OF SUGAR INDUSTRY

Began Earlier Than the Dry Spell of 1901 and Rainfall For Twelve Months Is Fifty Percent Less Than a Normal Year's Moisture

When it is said or published that the drought of 1901 was more severe than the drought of the present year on Hawaii the assertion is made from recollection and not from actual statistics and figures. The present drought is the worst in the recorded history of the sugar industry of that island as is shown by the records of Honolulu Plantation and Pacific Sugar Mill and the figures on file in the office of the agent here. It is true that during the past six months, the driest of the protracted dry spell, there are instances when the figures are slightly higher than the corresponding month in 1901, but when the rainfall for a whole month is less than an inch and a half or even an inch, a small fraction of an inch of moisture for the month is unimportant. It is the total for the season that counts.

### Comparisons Tell Tale

At Honolulu the rainfall for the first nine months of this year has been only 45.5 percent of the moisture that fell during the first nine months of the year 1901. At Pacific Mill the precipitation up to October 1 this year amounts to only 36.3 percent of the rainfall from December 31 to October 1 in the year 1901.

It is in the fact that the 1917 drought began earlier than other droughts that it has been more serious. In 1901 there were good rains in January, February and March while this year there was a shortage in moisture for those months, the result being that in the former drought the ground was well soaked, full of moisture when dry weather set in while this year it was not. At Honolulu the rainfall for the first three months of this year was 9.34 inches as compared with 28.51 inches for the same period of 1901 and at Pacific Mill 6.47 inches in comparison with 20.45 inches.

Pacific Mill has an elevation of 275 feet above sea level and Honolulu 400 feet, the greater elevation of the latter explaining its larger rainfall.

### Contrast by Months

The following table makes clear the weather conditions on the two plantations during the two years mentioned:

Month—	1901	1917	1901	1917
January	4.30	1.92	4.10	3.61
February	6.20	3.52	10.63	3.92
March	10.09	1.33	13.78	1.83
April	1.41	.76	2.78	1.36
May	.54	.53	.47	1.08
June	.53	.78	.41	1.96
July	.49	.67	.57	.98
August	1.03	.30	.39	.15
September	.23	.47	.47	.13
	24.72	9.98	33.60	15.02

### Further Convincing Figures

From September 30 to October 10 of this year there was only a hundredth of

## PASSENGER TAX GOES INTO EFFECT SOON

Not Aimed At Company But At Traveling Public

In adding the federal war tax to the cost of passenger tickets and freight charges, local steamship officials maintain that they are only acting in the capacity of tax collectors for the United States government. This tax is not a tax against the company but against the traveling public to be paid for at the time a ticket is purchased.

The following notice posted by the Inter-Island Steam and Navigation Company and signed by O. C. Scott, treasurer of the company, is self-explanatory:

"Notice to intending shippers and passengers. Internal revenue tax. On and after November 1, 1917, under the provisions of the war tax law, this company will charge and collect on behalf of the United States three percent of all the sum charged for freight and eight percent of all the sum charged for passenger carriage."

"The imposition of this tax will entail much trouble and expense for the company, for additional clerical help will be needed to compute the tax percentages, which will have to be figured down to a fraction of a cent."

definite price but one that the government will go under if it can.

"Porto Rico is not included in the War Tax Law. Our sugar going from here has to pay those accumulating tax percent charges on bills of lading while Porto Rico does not have to meet such payments. We face higher freight rates. The American-Hawaiian line was to raise its rate from \$0.50 to \$1.50 when the present contract expired, but shipping matters are up in the air.

"It seems to me Hawaii has been discriminated against in recent legislation over which some one should have watched and I do not see much profit in the sugar business."

### CHILDREN'S COLDS.

Why let the children catch their little bodies in such a distressing manner when you can so easily care their colds with a bottle of Chamberlain's Cough Remedy? For sale by dealers, Benson, Smith & Co. Ltd. Agt. for Hawaii.—Advertisement.

an inch rainfall at Honolulu and none at Pacific Mill while for the month of October sixteen years ago the precipitation was 2.50 and 2.06 respectively. That year the drought did not break at Honolulu until October 20 and during the 174 preceding days the rainfall had been only 2.50 inches. In the past 192 days at Pacific Mill the rainfall has been 4.51 inches. The rainfall at Honolulu for the six months of April to October inclusive, this year has been 5.06 inches as compared with a 1901 rainfall of 5.09 inches, a difference of three-one-thousandths of an inch a day for that period but going back a single month farther, to include March, there was sixteen years ago 11.38 inches of precipitation over the present drought and a single month further back makes the excess 18.09. The normal rainfall at Honolulu is 65.42 inches and the moisture measured in the past twelve months has been 35.36. The rainfall there for the entire year 1901 was 53.17 or fifty percent in excess of that for the twelve months just past.

### Signs of Break Seen

While the weekly weather and crop bulletin, issued by the weather bureau, did not show any material improvement in weather conditions last week, private reports received show encouraging signs indicating that there is coming gradually a break in the drought. Reports from Maui told of a good soaking rain at Wailuku and some rains in other sections of that island during the early days of the week and there were some reports of rain on Hawaii but no showers of importance in the three dry districts. There have been no rains sufficient to permit grinding on any of the plantations which have had to cease that work from inability to flame.

Special reports received by the weather bureau last week were as follows:

Kohala Mill, Hawaii—Drought continues.

Niuli, Hawaii—Rain fell on but one date amounting to 0.12 inch. No signs of rain. Crop for next year almost ruined.

Honohaha, Hawaii—The rainfall for the week came to 0.25 inch, being 0.24 less than that of last. There were six dry days.

Honoum, Hawaii—Heavy rain fell in the mountain section during the night of the fifth, measuring 2.19 inches, while at the lower level the precipitation was 0.18 inch. Moderate temperatures and normal sunshine have been generally beneficial to all crops and favorable for all kinds of work. More rain is badly needed everywhere.

Ponohala, Hawaii—The showers during the first four dates brought 1.35 inches of rain and put the ground in good shape for planting potatoes and beans. All crops are looking well at present but more rain is badly needed for all crops.

Volcano Observatory, Hawaii—Calm or light northeast wind prevailed during the past week with drizzles during the afternoon.

Another light covering of snow on Haleakala on the morning of the fifth. While some rain fell in Makawao and Kula during the week, only 0.03 inch fell in and about Hilo. Unpaved roads are deep in dust. Well cultivated bean crops at the Hilo Substation are thriving. We need more and better tillage.

## BANANA QUESTION NOW HINGES ON CARGO SPACE

Such Is Belief of A. J. Campbell, Local Shipper

Now that the national food administration has granted permission to local banana shippers to forward their fruit to the Coast in foreign bottoms, when American bottoms are not available, A. J. Campbell, a heavy shipper, has taken up with the local Toyo Kisen Kaisha, Pacific Mail and Dutch companies, the matter of shipping the fruit in these vessels. The Pacific Mail and Toyo Kisen Kaisha have referred his communication to their San Francisco offices.

According to the instructions received here a few days ago all lines in possession for the use of foreign bottoms will be permitted by the government. Although no bananas have been shipped under the new ruling, Mr. Campbell says he believes the entire matter hinges on the question of cargo space and the amount foreign steamers can allow local shippers.

### GETS BIG CONTRACT

The Savannah Sugar Refining Co., which began active operations about two months ago, has closed contract with the Quartermasters' Department of the Army for 1,000,000 lbs. of refined sugar, for immediate delivery to the military authorities at Atlanta. The war will absorb the refinery's output for one day, says the New York Journal of Commerce.

The price the government will pay for the sugar has not yet been determined and will depend upon the decision of the Hoover board.